

extinguished by the sinking fund itself, and without a sale of the Road. If it will suffice to pay the \$21,000, and also the interest that will accrue upon their *other Debts*, the operation will be still more secure, as it must enhance the *State Stock* more than the whole sum of \$350,000—perhaps a half million of dollars. If it will suffice to do all this and pay a dividend, the credit of the enterprize will be at once re-established, and the State, by this extension of credit, will be realizing *thousands* and hundreds of thousands, both to the Public Treasury and her own citizens, by increased value of stock, without the cost of a dollar and without adding to her present liabilities for the Company. Indeed, it is believed, this plan (if accepted by the corporation) will increase the State's security for indemnity, without adding a cent to her responsibilities.

This is not a question, whether the State shall go into these liabilities. They are already incurred. The true question is how shall they be managed. Were it a matter of business between two individuals, where one had high credit and the other had not, (associated with this Road as the State is by form or legislation,) a prudent man would not hesitate to modify the existing liabilities, &c. after the manner of the foregoing suggestions or something like it, and if he did, the whole world would pronounce him penny wise and pound foolish.

The State owns 2-5 of the Road, and does not wish to get the ownership of more nor to loose the \$600,000 already invested in it. If without any increase of her liabilities, she can secure the *probability* of adding some increased value to the Stock, it ought to be done without regard to the individual Stockholders, and refusing to do it would be a neglect of duty by the Legislature. The proposed modification of her present suretyship for the \$250,000, will be no addition to the State's *risque*, for altho' the Company borrow \$100,000 more, *the whole of it* is to go into the hands of the State, as a sacred fund, to accumulate and pay off the \$350,000. 2d. In the meanwhile,